GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2112
ANSWERED ON:12.12.2008
DISCONTINUATION OF CIRCULATION OF NOTES
Barq Shri Shafiqur Rahman

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has taken a decision recently to discontinue the circulation of certain currency notes/coins;

(b) if so,the details thereof;

(c) whether the Government is aware that many banks have stopped accepting the said notes/coins after this decision; and

(d) if so, the reaction of the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P.K. BANSAL)

(a) & (b): It has been decided to phase out Rs.500/- denomination bank notes (1996 MG series only) from circulation. Accordingly, RBI has advised commercial banks (including Regional Rural Banks and Urban Banks) not to re-issue such banknotes whenever these are tendered by the members of the public over the counter. RBI has also advised the banks that all such banknotes shall continue to be legal tender and therefore acceptable for all transactions and no member of the public be denied exchange facility. No coin has been discontinued in the recent past.

(c)&(d): No such complaint against banks about their refusal to accept these banknotes has been brought to notice so far.